



**NOTICE AND AGENDA
Commission Meeting¹**

**California Fair Political Practices Commission
428 J Street, Suite 800
Sacramento, CA 95814**

**Thursday, September 19, 2013
10:00 A.M.**

According to (Gov. Code Section 11123) (a) all meetings of a state body shall be open and public and all persons shall be permitted to attend any meeting of a state body except as otherwise provided in this article. The Section further states that the portion of the teleconferenced meeting that is required to be open to the public shall be audible to the public at the location specified in the notice of the meeting.

WELCOME AND CHAIR'S REPORT

Ann Ravel, FPPC Chair

PUBLIC COMMENT

1. Public Comment.

This portion of the meeting is reserved for comment on items not on the agenda. Under the Bagley-Keene Act, the Commission cannot act on items raised during public comment, but may respond briefly to statements made or questions posed; request clarification; or refer the item to staff.

PROPOSED CONSENT CALENDAR ITEMS 2 – 22

2. Approval of August 2013 Commission Meeting Minutes.

¹You can obtain further information about the meeting by contacting the Commission Assistant, 428 J Street, Suite 620, Sacramento, CA, 95814, Tel. (916) 322-5745. Written comments on agenda items should be submitted to the Commission no later than 12:00 p.m. the day before the meeting in order to afford the Commissioners adequate time to fully consider the comments. The fax number for comment letters is (916) 322-6440.

The agenda and related documents are posted on the FPPC website at www.fppc.ca.gov. Materials submitted by the public regarding each agenda item will be made available at the meeting and on the website.

Members of the public may listen to the meeting by phone by calling (888) 751-0624; access code 723284; or watch the meeting via Webinar at [meeting via YouTube](#).

The meeting location is accessible to the disabled. Persons who, due to a disability, need assistance in order to participate in this meeting should, prior to the meeting, contact the Commission Assistant at (916) 322-5745 (voice), (916) 322-6440 (facsimile) or in writing. TTY/TDD and Speech-to-Speech users may dial 7-1-1 for the California Relay Service to submit comments on an agenda item or to request special accommodations for persons with disabilities. Please allow a reasonable period of time between the request and the meeting date.

ENFORCEMENT MATTERS

Lobbying Firm Registration and Reporting

- 3. In the Matter of California Strategies LLC, Jason Kinney, Rusty Areias, and Winston Hickox, FPPC No. 11/850.** Staff: Commission Counsel IV Galena West, Program Specialist Grant Beauchamp and Special Investigator Paul Rasey. Respondent, California Strategies LLC, is a full-service public strategy firm dealing with topics including California's political, regulatory, legislative, and media environment. Respondents, Jason Kinney, Rusty Areias, and Winston Hickox, are partners and principals of Respondent California Strategies LLC. Respondent California Strategies LLC violated the Political Reform Act by failing to register as a lobbying firm, in violation of Government Code Sections 86100, subdivision (b), and 86101 (1 count); failing to file quarterly lobbying firm reports during calendar year 2012, in violation of Government Code Sections 86114 and 86117 (1 count); and failing to maintain records to support the information required to be disclosed on lobbying reports, in violation of Government Code Section 86110 (1 count). Respondent Jason Kinney qualified as a lobbyist but failed to complete and file the Lobbyist Certification Statement, in violation of Government Code Section 86100, subdivision (a) (2 counts); and failed to file quarterly lobbyist reports, in violation of Government Code Section 86113 (2 counts). Respondent Rusty Areias qualified as a lobbyist in 2012 but failed to complete and file the Lobbyist Certification Statement, in violation of Government Code Section 86100, subdivision (a) (1 count); and failed to file quarterly lobbyist reports, in violation of Government Code Section 86113 (1 count). Respondent Winston Hickox qualified as a lobbyist in 2012 but failed to complete and file the Lobbyist Certification Statement, in violation of Government Code Section 86100, subdivision (a) (2 counts); and failed to file quarterly lobbyist reports, in violation of Government Code Section 86113 (2 counts). **Total Proposed Penalty: \$40,500 (Respondent California Strategies LLC - \$10,500; Respondent Jason Kinney - \$12,000; Respondent Rusty Areias - \$6,000; and Respondent Winston Hickox - \$12,000).**

Conflict of Interest

4. **In the Matter of Chris Canning, FPPC No. 12/696.** Staff: Commission Counsel Milad Dalju and Special Investigator Annaraine Diaz. In this matter, Respondent, Chris Canning, in his capacity as a member of the Calistoga City Council, made governmental decisions in which he knew, or had reason to know, he had a financial interest, by voting on matters that had a reasonably foreseeable financial effect on the Calistoga Chamber of Commerce while he was the executive director of the Calistoga Chamber of Commerce, in violation of Government Code Section 87100 (1 count). **Total Proposed Penalty: \$3,000.**

5. **In the Matter of James Kopshever, FPPC No. 12/085 (Default Decision).** Staff: Senior Commission Counsel Angela Brereton and Special Investigator Beatrice Moore. In this matter, Respondent, James Kopshever, a member of the City of Chowchilla City Council, made a governmental decision in which he had a financial interest, by voting to award a five-year farm land lease agreement to Fagundes Brothers Dairy, which was a source of income to him, in violation of Government Code Section 87100 (1 count). **Total Proposed Penalty: \$3,000.**

Campaign Reporting

6. **In the Matter of Friends of Rosalinda Avitia For Tulare Local Healthcare District Area 2 Director, Rosalinda Avitia, and Robert Montion, FPPC No. 12/965.** Staff: Commission Counsel Milad Dalju and Special Investigator Beatrice Moore. In this matter, Respondents, Rosalinda Avitia, Friends of Rosalinda Avitia for Tulare Local Healthcare District Area 2 Director, and Robert Montion, as Treasurer, failed to report nine contributions of \$100 or more, totaling \$2,200, received between July 1, 2012, and September 30, 2012, by the October 5, 2012, deadline, in violation of Government Code Section 84211, subdivisions (a), (c), (e), and (f) (1 count), and failed to report three contributions of \$100 or more, totaling \$400, received between October 1, 2012, and October 20, 2012, by the October 25, 2012, deadline, in violation of Government Code Section 84211, subdivisions (a), (c), (e), and (f) (1 count). **Total Proposed Penalty: \$3,500.**

7. **In the Matter of Hector De La Torre, DeLaTorre for Insurance Commissioner 2010, and Jane Leiderman, FPPC No. 12/211.** Staff: Senior Commission Counsel Neal Bucknell and Program Specialist Bob Perna. This case arose from a Franchise Tax Board audit. Respondent, Hector De La Torre, was an unsuccessful candidate for Insurance Commissioner in the Democratic primary election held on June 8, 2010. Respondent, DeLaTorre for Insurance Commissioner 2010, was his candidate controlled committee, and Respondent, Jane Leiderman, was the committee Treasurer. In this matter, Respondents failed to report subvendor information for payments totaling approximately \$614,185 on campaign statements filed for the reporting periods ending May 22 and June 30, 2010, in violation of Government Code Sections 84211, subdivision (k), and 84303 (1 count). **Total Proposed Penalty: \$2,500.**
8. **In the Matter of Breans Against Measures T & U, Rehan Chaudry, and Brett Murdock, FPPC No. 12/758.** Staff: Commission Counsel Zachary Norton and Special Investigator Ann Flaherty. Respondent, Breans Against Measures T & U (“Respondent Committee”), qualified as a Primarily Formed ballot measure committee on or about October 1, 2012. At all times relevant to this matter, Respondent Rehan Chaudry was the Treasurer of Respondent Committee. At all times relevant, Respondent Brett Murdock was a member of the Brea City Council as well as the controlling candidate. The Respondent Committee opposed Measures T, the Brea Accountability Act, and U, the Brea Open Governance Act, on the ballot in the November 6, 2012 election. Respondents failed to disclose that the Respondent Committee was controlled, and to include the name of the controlling candidate on its statement of organization, in violation of Government Code Section 84101 subdivision (e) (1 count). **Total Proposed Penalty: \$2,000.**
9. **In the Matter of Yes on 37 for Your Right to Know if Your Food Has Been Genetically Engineered. Supported by Consumer Advocates, Makers of Organic Products and California Farmers, FPPC No. 12/984.** Staff: Senior Commission Counsel Neal Bucknell, Special Investigator Paul Rasey, and Political Reform Consultant Teri Rindahl. Respondent is the committee known as “Yes on 37 for Your Right to Know if Your Food Has Been Genetically Engineered. Supported by Consumer Advocates, Makers of Organic Products and California Farmers.” In this matter, Respondent authorized and paid for video advertisements in support of Proposition 37, but the required disclosure statements as to the committee name and donors of \$50,000 or more were not presented in a clear and conspicuous manner in violation of Government Code Section 84507 and California Code of Regulations, title 2, section 18450.4 (1 count). **Total Proposed Penalty: \$1,500.**

10. **In the Matter of A Committee in Support of Proposition 34, Sponsored by ACLU of Northern California, and Abdi Soltani, FPPC No. 13/537.** Staff: Political Reform Consultant Adrienne Korchmaros. Respondents, A Committee in Support of Proposition 34, Sponsored by ACLU of Northern California, and Abdi Soltani, as Treasurer, failed to timely file campaign reports for the semiannual period January 1, 2012, through June 30, 2012, due July 31, 2012, as an electronic filing; the pre-election periods July 1, 2012, through September 30, 2012, due October 5, 2012, and October 1, 2012, through October 20, 2012, due October 25, 2012; and a Late Contribution Report for contributions made on April 27, 2012, due April 28, 2012. All campaign reports were required to be filed with the Secretary of State and the failure to file resulted in violations of Government Code Sections 84200, 84200.5, and 84203 (4 counts). **Total Proposed Penalty: \$800.**

11. **In the Matter of Family Farmers Working for a Better California, with Major Support by Western Growers Association, and Ward Kennedy, FPPC No. 13/660.** Staff: Political Reform Consultant Teri Rindahl. Respondent, Family Farmers Working for a Better California, with Major Support by Western Growers Association, and Ward Kennedy, as Treasurer, failed to timely file the Supplemental Independent Expenditure (Form 465) covering the periods October 1, 2012, through October 20, 2012, due October 25, 2012, and October 21, 2012, through December 31, 2012, due January 31, 2013, with the Secretary of State in both paper and electronic format in violation of Government Code Sections 84203.5 and 84605 (2 counts). **Total Proposed Penalty: \$400.**

Lobbying Reporting

12. **In the Matter of Broad & Gusman, LLP, FPPC No. 13/497.** Staff: Legal Analyst Tracey Frazier and Law Clerk Emma Olson. Respondents, Broad & Gusman, a California lobbying firm, and Barry Broad, Broad & Gusman's Responsible Officer, failed to timely file a Report of Lobbying Firm (Form 625) covering the period July 1, 2012, through September 30, 2012, failing to disclose total payments received for lobbying services in the amount of \$222,908.04, in violation of Government Code Sections 86114 and 84605 (1 count). **Total Proposed Penalty: \$2,500.**

13. **In the Matter of Property ID Corporation and Morgan McComb, FPPC No. 13/489.** Staff: Legal Analyst Tracey Frazier and Law Clerk Emma Olson. Respondents, Property ID Corporation, a California lobbyist employer, and Morgan McComb, Property ID Corporation's Vice President of Administration and Responsible Officer, failed to timely file a Lobbyist Employer Report (Form 635) covering the periods April 1, 2012, through December 31, 2012, disclosing total payments made for lobbying services in the amount of \$25,950.63, in violation of Government Code Sections 86115, 86116, 86117, and 84605 (3 counts). **Total Proposed Penalty: \$600.**
14. **In the Matter of Performance Marketing Association, FPPC No. 13/493.** Staff: Legal Analyst Tracey Frazier and Law Clerk Emma Olson. Respondent, Performance Marketing Association, a California lobbyist employer, failed to timely file a Lobbyist Employer Report (Form 635) covering January 1, 2011, through March 31, 2011, failing to disclose total payments made for lobbying services in the amount of \$24,610.03, in violation of Government Code Sections 86116 and 86117 (1 count). **Total Proposed Penalty: \$200.**

Mass Mailing

15. **In the Matter of Alan Frank, Alan Frank for City Council 2012, and Jeff Buchanan, FPPC No. 12/890.** Staff: Commission Counsel Zachary Norton and Special Investigator Paul Rasey. Respondent, Alan Frank, was an unsuccessful candidate for Placentia City Council in the November 6, 2012 election. Alan Frank for City Council 2012 was Respondent Frank's candidate controlled committee, and Respondent Jeff Buchanan was the Treasurer of the committee. Prior to the election, Respondents paid for and caused to be sent two mass mailers which failed to identify Respondents as the senders of the mailers in violation of Government Code Section 84305, subdivision (a) (1 count). **Total Proposed Penalty: \$2,500.**

Major Donor

16. **In the Matter of Skechers USA, Inc., FPPC No. 13/885.** Staff: Political Reform Consultant Adrienne Korchmaros. Respondent, Skechers USA, Inc., failed to timely file Major Donor Reports (Form 461) disclosing 6 contributions made during the periods January 1, 2011, through June 30, 2011, due on July 31, 2011; January 1, 2012, through June 30, 2012, due July 31, 2012; and July 1, 2012, through September 30, 2012, due October 5, 2012, with the City of Moreno Valley in violation of Government Code Sections 84200 and 84200.5 (6 counts). **Total Proposed Penalty: \$2,400.**

17. **In the Matter of Signal Hill Petroleum, FPPC No. 13/898.** Staff: Political Reform Consultant Jeanette Turvill. Respondent, Signal Hill Petroleum, failed to timely file a Major Donor Committee Campaign Statement (Form 461) for 2012 in violation of Government Code Section 84200 (1 count). **Total Proposed Penalty: \$400.**

Statement of Economic Interests – Non-Filer

18. **In the Matter of Jocelyn Woodard, FPPC No. 12/527 (Default Decision).** Staff: Senior Commission Counsel Angela Brereton. Respondent, Jocelyn Woodard, was a Member of the County of Los Angeles Commission on HIV from April 2011 through July 2013. As a Member of the County of Los Angeles Commission on HIV, Respondent was required to file an Annual Statement of Economic Interests for calendar year 2011. In this matter, Respondent failed to file a 2011 Annual Statement of Economic Interests (Form 700) by the April 2, 2012 deadline, in violation of Government Code Section 87203 (1 count). **Total Proposed Penalty: \$4,000.**
19. **In the Matter of Martin Andreas, FPPC No. 13/ 627.** Staff: Political Reform Consultant Adrienne Korchmaros. Respondent, Martin Andreas, as a Board Member for both the Air Pollution Control District Hearing Board and Big Springs Irrigation District for the County of Siskiyou, failed to timely file the 2012 Annual Statement of Economic Interests (Form 700) covering the period January 1, 2012, through December 31, 2012, due April 1, 2013, in violation of Government Code Section 87300 (1 count). **Total Proposed Penalty: \$200.**
20. **In the Matter of Holly Johnson Harris, FPPC No. 13/834.** Staff: Political Reform Consultant Adrienne Korchmaros. Respondent, Holly Johnson Harris, as a Trustee for the Fine Arts Museum for the City and County of San Francisco, failed to timely file the 2012 Annual Statement of Economic Interests (Form 700) covering the period January 1, 2012, through December 31, 2012, due April 1, 2013, in violation of Government Code Section 87300 (1 count). **Total Proposed Penalty: \$200.**

Statement of Economic Interests – Non-Reporting

21. **In the Matter of Linda Richardson, FPPC No. 13/067.** Staff: Senior Commission Counsel Dave Bainbridge. Respondent, Linda Richardson, over the last four years has served as a director on the Treasure Island Development Authority, a commissioner on the San Francisco Human Rights Commission, and as a member of the Bayview Hunters Point Area Committee of the San Francisco Redevelopment Agency. During this time, Respondent owned and was employed by ADR Continental Group, a public relations firm that has contracted with the City and County of San Francisco on multiple occasions. Respondent failed to timely disclose her income and interest in ADR Continental Group, as well as her ownership of various stocks, on her Annual Statement of Economic Interests (Form 700) for the years 2009, 2010, and 2011 in violation of Government Code Section 87300 (3 counts). **Total Proposed Penalty: \$600.**
22. **In the Matter of Luis Herrera, FPPC No. 13/255.** Staff: Senior Commission Counsel Neal Bucknell, Special Investigator Laura Jestes, and Political Reform Consultant Teri Rindahl. Respondent, Luis Herrera, while serving as City Librarian for the San Francisco Public Library, failed to report gifts received from the Friends of the San Francisco Public Library on Annual Statements of Economic Interests (Form 700) for calendar years 2009, 2010, and 2011 in violation of Government Code Section 87300 (3 counts). **Total Proposed Penalty: \$600.**

GENERAL ITEMS 23 – 29

23. **Regulation 18329: Definition of Lobbyist.**
Staff: General Counsel Zackery P. Morazzini and Senior Commission Counsel Heather M. Rowan. Staff proposes that the Commission amend Regulation 18239 to extend an exception that currently applies to lobbyists and allow a person within a company who has knowledge or expertise to accompany a registered placement agent to a meeting with a public retirement board without requiring that person to register as a lobbyist.

24. Regulation 18421.5: Reporting an Expenditure for Paid Online Communications.

Staff: General Counsel Zackery P. Morazzini and Senior Commission Counsel Heather M. Rowan. Staff proposes that the Commission adopt Regulation 18421.5 to create a more specific and easily identifiable report of when a committee pays a person or group to create online content on behalf of the committee. This item was considered at the August Commission Meeting, but continued to September for further discussion and proposed adoption.

25. Adoption of Amendment to Regulation 18521.5: Distribution of Leftover Funds by Ballot Measure Committees Controlled by Candidates for Elective State Office.

Staff: General Counsel Zackery P. Morazzini. In response to a formal petition by the California Democratic Party, Staff proposes that the Commission adopt an amendment to Regulation 18521.5 permitting a ballot measure committee controlled by a candidate for elective state office, within 60 days prior to termination of the committee, to distribute leftover committee funds to a political party so long as the funds are not used to support or oppose candidates for elective office.

26. Adoption of the Campaign Manual for Major Donor Committees. Staff: Lynda Cassady, Chief of Technical Assistance Division. The Commission is asked to adopt the proposed revision to the 2008 manual. Two drafts have been posted on the Interested Persons Page and staff has incorporated many comments into this proposed manual.

27. Appointment of Vice-Chair.

ENFORCEMENT MATTERS

28. **Request for Authority to File a Civil Complaint and Enter a Stipulated Judgment: In the Matter of Citizens for a Voice in Government, Major Funding by Investment Manager, Brandon Powers, Lysa Ray, and Chris Hansen, FPPC No. 13/869.** Staff: Senior Commission Counsel Dave Bainbridge and Special Investigator Lee Myers. Citizens for a Voice in Government, Major Funding by Investment Manager (the “Committee”) received a \$100,000 contribution from Chris Hansen on or about June 21, 2013 and made an \$80,000 expenditure that same day. Brandon Powers is the principal officer for the Committee and Lysa Ray is the Committee’s treasurer. The Committee failed to file a semi-annual campaign statement for the January 1, 2013, through June 30, 2013, reporting period by July 31, 2013, in violation of Government Code Section 84200, subdivision (a) (1 count). The Committee also failed to file a Statement of Organization within 10 days of becoming a committee in violation of Government Code Section 84101, subdivision (a) (1 count). Chris Hansen, who qualified as a major donor upon making the contribution to the Committee, failed to file a semi-annual campaign statement for the January 1, 2013, through June 30, 2013, reporting period by July 31, 2013, in violation of Government Code Section 84200, subdivision (b) (1 count). The parties have agreed to have a civil judgment entered in this case. **Total Proposed Penalty: \$50,000.**
29. **Administrative Hearing: In the Matter of Charles R. “Chuck” Reed, San José Fiscal Reforms, Mayor Reed, Chamber PAC And Issues Mobilization PAC Proponents, and Benjamin J. Roth (FPPC Case No. 12/761).** Appearing on behalf of Complainant: Enforcement Division Chief Gary S. Winuk and Senior Commission Counsel Angela J. Brereton. Appearing on behalf of Respondents: James R. Sutton (SBN 135930), and Jesse A. Mainardi.

EXECUTIVE STAFF REPORTS ITEM 30

Administrative Division Report. Staff: Chief of Administration, Tina Bass

Legislative Report. Staff: Legislative Coordinator, Sukhi Brar

Litigation Report. Staff: General Counsel, Zackery P. Morazzini

Legal Division Report. Staff: General Counsel, Zackery P. Morazzini

Enforcement Division Report. Staff: Chief of Enforcement, Gary Winuk

Technical Assistance Division Report. Staff: Chief of Technical Assistance Division, Lynda Cassady.

CLOSED SESSION ITEM 31

Pending Litigation (Gov. Code § 11126(e)(1)). Deliberation upon:

- Request for Authority to File a Civil Complaint and Enter a Stipulated Judgment: In the Matter of Citizens for a Voice in Government, Major Funding by Investment Manager, Brandon Powers, Lysa Ray, and Chris Hansen, FPPC No. 13/869.
- Administrative Hearing: In the Matter of Charles R. “Chuck” Reed, San José Fiscal Reforms, Mayor Reed, Chamber PAC And Issues Mobilization PAC Proponents, and Benjamin J. Roth (FPPC Case No. 12/761).